

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

STATE OF IOWA ex rel.
THOMAS J. MILLER, 99AG25112
ATTORNEY GENERAL OF IOWA,

Plaintiff,

v.

MEGAN LEANNE TROYER,
TIMOTHY RYAN MARLOW AND
IQ RENOVATION, L.L.C.,

Defendants.

EQUITY NO. CE **68630**

PETITION AND REQUEST
FOR PERMANENT AND
TEMPORARY INJUNCTIONS

FILED
POLK COUNTY, IA
11 JUN - 2011 AM 9:10
CLERK OF DISTRICT COURT

COMES NOW the State of Iowa ex rel. Attorney General of Iowa, Thomas J. Miller, by Assistant Attorney General Benjamin E. Bellus, pursuant to the provisions of Iowa Code § 714.16 (2011), commonly referred to as the Iowa Consumer Fraud Act, and for its claim against Defendants Megan Leanne Troyer, Timothy Ryan Marlow and IQ Renovation, L.L.C., states as follows:

PARTIES

1. Plaintiff is the State of Iowa, ex rel. Attorney General Thomas J. Miller, the duly elected Attorney General of Iowa. The Attorney General of Iowa is expressly authorized pursuant to Iowa Code § 714.16(7) to file a civil action against any person who has engaged in a practice declared to be unlawful under Iowa Code § 714.16.

2. Defendant IQ Renovation, L.L.C. ("IQ Renovation") was incorporated in the state of Iowa on January 8, 2009 for the purpose of selling and providing home repair and contractor services to a predominately residential market. At the time relevant to the transactions from which this suit arose, the place of business for IQ Renovation was initially 3775 EP True Parkway, Suite 112, West Des Moines, Iowa; and then 8527 University Boulevard, Suite 8, Clive

Iowa; and finally 100 Grand Avenue, Suite 10, West Des Moines, Iowa.

3. Defendant Megan Leanne Troyer is the president, owner, operator and managing agent of a home repair and contractor business registered with the Iowa Secretary of State as IQ Renovation. At the time relevant to the transactions from which this suit arose, the place of business for Megan Leanne Troyer under any business name was initially 3775 EP True Parkway, Suite 112, West Des Moines, Iowa; and then 8527 University Boulevard, Suite 8, Clive Iowa; and finally 100 Grand Avenue, Suite 10, West Des Moines, Iowa. Defendant Megan Leanne Troyer is named in her individual capacity as well as her past or present corporate capacities.

4. Defendant Megan Leanne Troyer formulated, directed, controlled, was a primary participant in, and had, or should have had, knowledge of the acts and practices of IQ Renovation constituting the violations of Iowa law as alleged herein and, at all times relevant hereto, was an officer, director, owner, and/or agent of IQ Renovation.

5. Defendant Timothy Ryan Marlow identifies himself as "project consultant," "IQ Renovation Representative" and "owner" to consumers; and is an owner, operator and managing agent of a home repair and contractor business registered with the Iowa Secretary of State as IQ Renovation. At the time relevant to the transactions from which this suit arose, the place of business for Timothy Ryan Marlow under any business name was initially 3775 EP True Parkway, Suite 112, West Des Moines, Iowa; and then 8527 University Boulevard, Suite 8, Clive Iowa; and finally 100 Grand Avenue, Suite 10, West Des Moines, Iowa. Defendant Timothy Ryan Marlow is named in his individual capacity as well as his past or present corporate capacities.

6. Defendant Timothy Ryan Marlow formulated, directed, controlled, was a primary

participant in, and had, or should have had, knowledge of the acts and practices of IQ Renovation constituting the violations of Iowa law as alleged herein and, at all times relevant hereto, was an officer, director, owner, and/or agent of IQ Renovation.

7. The phrase “home repairs or contractor services,” as used herein, includes any labor or materials provided for work on any residential dwelling or other structure; and any labor or materials provided for work on other things commonly found on residential real property including, but not limited to, garages, basements, interiors, roofs, porches, driveways, sidewalks, patios and fences.

VENUE

8. Venue is proper in Polk County, Iowa, because the Defendants engaged in the activities that are the subject of this Petition in Polk County, Iowa. Moreover, Defendants do business in Polk County and one or more victims of the practices in question reside in Polk County. Iowa Code § 714.16 (10) (2011).

JURISDICTION

9. The Iowa Consumer Fraud Act, Iowa Code § 714.16 (2)(a) (2011) (“the Consumer Fraud Act”) provides in pertinent part:

The act, use or employment by a person of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation, or the concealment, suppression or omission of a material fact with intent that others rely upon the concealment, suppression, or omission, in connection with the lease, sale, or advertisement of any merchandise or the solicitation of contributions for charitable purposes, whether or not a person has in fact been misled, deceived, or damaged, is an unlawful practice.

10. Iowa Code § 714.16(1) provides the following definitions:

(f) “Deception” means an act or practice which has the tendency or capacity to mislead a substantial number of consumers as to a material fact or facts.

(n) “Unfair practice” means an act or practice which causes substantial, unavoidable injury to consumers that is not outweighed by any consumer or competitive benefits

which the practice produces.

11. Iowa Code § 714.16 (7) provides, in pertinent part:

Except in an action for the concealment, suppression, or omission of a material fact with intent that others rely upon it, it is not necessary in an action for reimbursement or an injunction, to allege or to prove reliance, damages, intent to deceive, or that the person who engaged in an unlawful act had knowledge of the falsity of the claim or ignorance of the truth.

12. In describing remedies under the Consumer Fraud Act, Iowa Code § 714.16(7)

provides in pertinent part as follows:

If it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in a practice declared to be unlawful by this section, the attorney general may seek and obtain in an action in a district court a temporary restraining order, preliminary injunction, or permanent injunction prohibiting the person from continuing the practice or engaging in the practice or doing an act in furtherance of the practice. The court may make orders or judgments as necessary to prevent the use or employment by a person of any prohibited practices, or which are necessary to restore to any person in interest any moneys ... which have been acquired by means of a practice declared to be unlawful by this section ...

In addition to the remedies otherwise provided for in this subsection, the attorney general may request and the court may impose a civil penalty not to exceed forty thousand dollars per violation against a person found by the court to have engaged in a method, act, or practice declared unlawful under this section; provided, however, a course of conduct shall not be considered to be separate and different violations merely because the conduct is repeated to more than one person. In addition, on the motion of the attorney general or its own motion, the court may impose a civil penalty of not more than five thousand dollars for each day of intentional violation of a temporary restraining order, preliminary injunction, or permanent injunction issued under authority of this section.

13. Iowa Code § 555A.4(5), of the Iowa Door-To-Door Sales Act, provides in pertinent part: "A seller shall . . . (n)ot misrepresent in any manner the buyer's right to cancel."

14. In describing remedies under the Iowa Door-To-Door Sales Act, Iowa Code § 555A.6(2) provides in pertinent part: "A violation of this chapter (Iowa Code chapter 555A) is a violation of section 714.16, subsection 2, paragraph 'a'."

INJUNCTIONS

15. It is in the public interest that both preliminary and permanent injunctive relief be issued herein to protect the people of the State of Iowa from any further losses from any similar conduct by the Defendants in Iowa in the future.

16. The State's petition for injunctive relief has not been presented to, or denied by, any other judge of the district court.

17. Iowa R. Civ. P. 1.207 provides that no security is required if the State is seeking injunctive relief.

FACTUAL ALLEGATIONS

Background

18. Defendants engaged in the business of providing home repairs or contractor services at the homes of Iowa consumers.

19. Defendants offered to sell home repairs or contractor services to consumers through telemarketing, internet advertising (www.iqrenovation.com), print advertising, trade shows and direct sales.

20. As part of their advertising campaign, Defendants gave consumers fliers which included statements such as: "Our work is 100% guaranteed" and "Licensed & insured in the state of Iowa".

21. As part of their advertising campaign, Defendants posted a "FAQ" on their website which included statements such as:

Q: Do you use sub-contractors or your own workers?

A: IQ Renovation will always use our own skilled craftsmen for a majority of the projects we do. We will however sub-contract speciality portions of projects like; plumbing, electrical, radiant floor heating and HVAC.

Q: What qualifications should my contractor have?

A: A contractor should always have a certificate of insurance available for you to see and be licensed as a contractor with the state of Iowa. IQ Renovation has all proper licensing and insurance and will always provide documents if requested.

22. As part of their advertising campaign, Defendants' website stated: "IQ Renovation has over 20 years experience in home remodeling. We are licensed and insured in the state of Iowa."

23. If a consumer expressed interest in hiring Defendants to provide home repairs or contractor services, Defendants met with consumers at the consumers' homes where the contract entitled "Purchase Agreement" was finalized and signed by both parties.

24. The "Purchase Agreement" was the standard form used by Defendants in most, if not all, of their sales to consumers which provided, among other things:

- a. Para 1: "All work shall be completed in a workmanship like manner & and in compliance with all building codes & other applicable laws."
- b. Paragraph 3: "IQ Renovation may at its discretion engage subcontractors to perform work hereunder, provided IQ Renovations shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract."
- c. Paragraph 4: "IQ Renovations shall furnish Buyer(s) appropriate releases and waivers of lien for all work performed or materials provided within five days of the next periodic payment and/or completion payment for project."
- d. Paragraph 6: "IQ Renovations warrants it is adequately insured for injury to its employees and others incurring loss or injury as a result of the acts of IQ Renovation or its employees and subcontractors."
- e. Paragraph 8: "IQ Renovation agrees to remove all job related debris and leave the premises in "broom clean" condition."
- f. Paragraph 12: "IQ Renovation warrants all work for a period of 12 months following completion. (See attached workmanship warranty.)"

25. At the time of sale, Defendants also provided consumers with a document entitled

“Additional Terms and Conditions” which provided in part:

- a. Para G: “Owner agrees to pay a 25% cancellation fee plus actual costs incurred by contractor if contract is cancelled after the 3rd business day by owner. NOTE: Saturday is considered a business day in most states. A general rule of thumb is if the post office is open, it is considered a business day.”
- b. Paragraph I: “Contractor will carry all applicable liability and worker’s compensation insurance and will provide owner with proof upon request.”
- c. Paragraph J: “Contractor warrants labor and material to meet or exceed common industries standards. Contractor does not assume responsibility for manufacturing defects but does agree to facilitate and aid owners in the event a claim is made by owner on manufacturer’s warranty.”

26. At the time of sale, Defendants also provided consumers with a document entitled “Understanding Your Remodeling Agreement” which included a section entitled, “The Agreement” which stated in part:

Price and Payment Schedule:

- IQ Renovation typically prices work as a fixed price job. The payment schedule is clearly spelled out in the agreement. Typically payments are made as follows:
 - 1. One-half of the project cost when signing the Purchase Agreement for the acquisition of materials and permits.
 - 2. The balance at the completion of the project.

Payment schedules shown are “typical”. Payment schedules may be subject to change individually according to each project and agreement.

27. At the time that consumers signed the Purchase Agreement with the Defendants for home repairs or contractor services, Defendants normally required consumers to make a down payment ranging from 50% to 100% of the total contract price.

28. Defendants provided some home repairs or contractor services directly to consumers, but also employed a substantial number of third party subcontractors to perform the majority of the work under the contracts on behalf of Defendants under the direction or supervision of the

Defendants.

29. Defendants always obtained funds from consumers for materials or labor on the consumers' projects before providing home repairs or contractor services.

Consumer Complaint Examples

30. Shaun N. Jennex and Lorna M. Jennex:

a. On October 26, 2010, Defendants entered into a written contract with Shaun and Lorna Jennex to remove windows in two bedrooms and replace them with new windows as the first stage of a construction project on the Jennex residence.

b. Defendants, through their representative Tim Marlow, contracted to provide these home repairs or contractor services to the consumers while at their residence located at 3953 92nd Drive, Des Moines, Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was \$1,944.00, but Defendant Marlow offered the Jennex family a 3% discount if they agreed to pay the full price up front. The consumers declined that discount but did agree to pay \$972.00 as a down payment, which Defendant Marlow accepted from them on that same date.

d. After a substantial delay, the windows arrived and Defendants sent their agent Mike Scope to perform the contract by himself; but Scope instead fell through a second story window onto a concrete pad on the ground level and was so severely injured that the Jennex's 14-year-old son had to call for emergency personnel who took the Scope to the hospital.

e. Another agent of the Defendants arrived at a later date to install the windows by himself, but after admitting to Shaun Lennox that he was not an experienced window installer and then almost falling through the window himself, installed the windows in a manner that was neither workmanlike nor in compliance with acceptable industry standards.

f. Defendants failed to fully correct the deficiencies in the window installation after multiple visits, so the parties negotiated a reduced price and cancelled any further work - at which point the Jennex family paid a third party to correct the window installation.

g. Despite claims that they were fully insured in their advertising, Defendants were not carrying insurance to cover workplace injuries to their agents at the time of the accident; and Scope later threatened to sue the Jennex family because the Defendants were not covering his medical costs.

31. Ed and Pat Maras:

a. On August 26, 2010, Defendants entered into a written contract with Ed and Pat Maras, Iowa consumers living in Polk County, to repair the sidewalk and basement at the Maras residence.

b. Defendants, through their representative Nick Verro, contracted to provide the home repairs or contractor services to the Maras residence while at the residence located at 1305 Hammantree Drive, Urbandale Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was \$15,400.00, to be paid in two installments of \$7,700.00.

d. At the time at which Defendants contracted to sell the home repairs or contractor services, Defendants accepted \$7,700.00 from the Maras family as a down payment for the home repairs or contractor services on the residence and Defendants' agent Verro assured the Maras family that their down payment was being placed in escrow until the work was completed.

e. After Defendants failed to begin working under the contract within a reasonable time, the Maras family spoke with another agent of the Defendants who told them that Defendant Marlow was displeased with their contract because he believed that the contract had been underbid by his agent.

f. On October 4, 2010, the Maras family contacted Defendant Marlow, who identified himself to them as an "owner", and offered to allow him to cancel the contract if he wished to do so.

g. Defendant Marlow cancelled the contract on October 4, 2010, and promised to fully refund the down payment.

h. The Maras family has not received their refund, despite repeated contacts with Defendant Marlow and repeated assurances by him that he would refund their money.

i. On February 14, 2011, the Maras family filed a formal complaint with the State which was directed to the Defendants.¹

j. As of this date, Defendants have failed to return the \$7,700.00 down payment to the Maras family.

32. Ted and Jolene Davis:

a. On May 4, 2010, Defendants entered into a written contract with Ted and Jolene Davis,

¹ The word "State" means the Consumer Protection Division of the Iowa Department of Justice (Attorney General's Office) when referring to the agency that accepts consumer complaints, investigates consumer complaints or files law suits pursuant to Iowa Code § 714.16.

Iowa consumers living in Polk County, to provide all labor and materials needed to finish the basement of the Davis residence.

b. Defendants contracted to provide these home repairs or contractor services to the Davis residence while at the Davis residence located at 12907 Hammontree Drive, Des Moines, Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was \$30,000.00, with a \$15,000.00 down payment when the contract was signed and the balance to be paid in increments as the project proceeded.

d. Defendants' agent, Lucas Herrick, represented to the consumers that the actual cost of the project was \$38,089.00 but that they were receiving a "1st Day discount with advertising agreement" which reduced their total price to \$30,000.00.

e. At the same time Defendants presented a document entitled "Advertising Agreement" which professed to provide a \$540.00 discount to the Davis family if they agreed to provide advertising assistance to the Defendants by, among other things, allowing Defendants to direct potential customers to call the Davis family for references, allowing the Defendants to post a sign advertising the Defendants' services in the Davis yard, provide a testimonial letter for Defendants to use in their advertising, etc.

f. As a further condition for the \$540.00 discount, the "Advertising Agreement" also stated that the Davis family would "[a]gree and accept that you have entered into a confidential agreement not to reveal or share the discounted prices of your products or the services you received."

g. On May 4, 2010, Defendants accepted \$15,000.00 from the Davis family as a down payment for home repairs or contractor services on the Davis residence.

h. Defendants, with assistance from subcontractors, completed the Davis contract and were paid in full by the Davis family on or about October 12, 2010.

i. Defendants failed to pay all of the subcontractors who provided material and/or labor on the Davis contract; and as a result subcontractor Behr Construction filed a mechanic's lien on the Davis property in the amount of \$1,524.52 on January 11, 2011.

j. Defendants failed to pay all of the subcontractors who provided material and/or labor on the Davis contract; and as a result subcontractor TNC Drywall & Paint was legally entitled to file a mechanic's lien on the Davis property in the amount of \$6,135.60 but chose to not do so at that time - although the right was not extinguished.

k. On December 15, 2010, the Davis family filed a formal complaint with the State which was directed to the Defendants.

l. As of this date, the Defendants have not paid all the subcontractors that provided labor

or materials for the Davis family residence.

33. Kris and Chelsie Dirksen:

- a. On September 4, 2009, Defendants entered into a written contract with Kris and Chelsie Dirksen, Iowa consumers living in Polk County, to provide all materials and labor necessary to remove the old shingles on their residence and garage and replace the entire roof on both structures.
- b. Defendants contracted to provide these home repairs or contractor services to the Dirksen family while at the Dirksen residence located at 4100 54th Street, Des Moines, Iowa; a place other than Defendants' place of business.
- c. The total contract price between the parties was \$7,960.00, to be paid upon completion of the contract.
- d. Defendants' agent represented to the consumers that the actual cost of the project was \$8,852.00, but that they were receiving a "1st Day discount with advertising agreement" which reduced their total price to \$7,960.00.
- e. On September 10, 2010, the Defendants and the Dirksen family amended the contract for additional work and raised the contract price to \$8,760.00 by mutual consent.
- f. On or about September 14, 2009, Defendants presented Kris Dirksen with a form entitled "Borrower's Release And Request For Payment" which entitled Defendants to immediately collect full payment under the contract from the Dirksens' lender, Neighborhood Finance Corporation, and the Defendants were then paid in full on September 16, 2009.
- g. Defendants removed the old shingles and replaced both roofs by the middle of September 2009.
- h. In May of 2010, the Dirksen family learned that the Defendants failed to properly install the roofing materials when they discovered exposed wood on the roof, holes in the roofing, pieces of roofing coming loose and substantial leaking into the residence when there was rain.
- i. The Dirksen family promptly contacted the Defendants who inspected the property and then refused to provide a refund so that the Dirksens could hire a new roofing company to repair the residence.²

² The Dirksens report that, rather than correct the deficiencies in the roof, the agent for the Defendants advised them to file a claim with their insurance company which was subsequently rejected because the insurance adjuster determined that the damage was caused by defects in workmanship which were not covered in their standard homeowner's insurance policy.

j. The Dirksen family also filed a complaint with the Better Business Bureau which made several unsuccessful attempts to contact Defendants and then closed the complaint as "unanswered" on July 12, 2010.

k. On July 18, 2010, a heavy storm pushed water through the roof of the Dirksen residence which poured through ceilings and light fixtures on the second floor and through the ceiling of the first floor; causing damage to flooring, wall plaster, woodwork and furniture throughout the house.

l. On July 19, 2010, the Dirksens filed a formal complaint with the State which contacted the Defendants.

m. After being contacted by the State, the Defendants replaced the roof and repaired the internal damage to the residence.

n. As of this date, the Defendants and the Dirksen family are still in dispute about reimbursement for the additional losses to the Dirksen family caused by the Defendants' initial failure to properly install the roof.

34. Gerald and Janice Roe:

a. On September 24, 2009, Defendants entered into a written contract with Gerald and Janice Roe, Iowa consumers living in Hardin County, to provide all materials and labor necessary to repair storm damage to the Roe residence; including the replacement of windows, doors, rain gutters, casements and housing siding.

b. Defendants, through their representative Timothy Marlow, contracted to provide these home repairs or contractor services to the Roe family while at the Roe residence located at 906 9th Avenue, Eldora, Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was for \$22,434.00, to be paid in two installments of \$11,217.00; one at the time of signing and the other at the time of contract completion.

d. On September 24, 2009, Defendant Marlow accepted \$11,217.00 from the Roe Family as a down payment for home repairs or contractor services on the Roe residence.

e. On September 24, 2009, Defendant Marlow assured the Roe family that Defendants would have the storm-damaged windows replaced in ten to fourteen days.

f. On September 24, 2009, the parties further agreed that the Roes would remove the damaged siding and then call Defendant Marlow who would then send employees to wrap protective material around the house so that the exposed wood and insulation would not be damaged by the elements.

g. On October 22, 2009, the Roe family called Defendant Marlow and told him that they

were finished removing the house siding and that Marlow could send workmen to wrap the house and protect it from the elements, as previously promised by Defendant Marlow.

h. Despite repeated follow-up calls by the Roes and repeated promises to begin work by the Defendants, the Defendants never did wrap the house, install the windows or perform any other material services under the contract despite the onset of winter weather.

i. Because the house was not protected by siding or a wrap throughout the winter, the structure of the Roe family's house was damaged by the elements and the Roes family paid substantially higher than normal heating bills for that season.

j. On December 31, 2009, the Roes filed a formal complaint with the State, which then contacted the Defendants.

k. After being contacted by the State, the Defendants agreed to deliver the windows and doors that had been ordered for the project to the Roes, reimburse \$1,000.00 to the Roes and waive any claim for the balance of the contract.

l. The project was subsequently completed by another contractor.

35. Linda Wade and Lori Lockard:

a. On June 29, 2010, Defendants entered into a written contract with Linda Wade, an Iowa consumer living in Polk County, to provide all materials and labor necessary to build a second story deck with windows on her residence located at 4454 NE 62nd Avenue, Altoona, Iowa, for a total contract price of \$32,288.00.

b. At the same meeting on June 29, 2010, Defendants entered into a written contract with Wade's daughter, Lori Lockard, an Iowa consumer living in Polk County, to provide all materials and labor necessary to remodel the basement at her residence located at 627 40th Street, Des Moines, Iowa, for a total contract price of \$6,844.00 with \$50.00 paid at the time that the contract was signed.

c. Defendants, through their representative Jason Diekmann, contracted to provide these home repairs or contractor services to Wade and Lockard while at the Wade residence located at 4454 NE 62nd Avenue, Altoona, Iowa; a place other than Defendants' place of business.

d. On or about August 9, 2010, Wade and Lockard informed Defendant Marlow that they did not want the work on Wade's house to begin at that time, but they wanted the work on Lockard's house to proceed in an expedited manner so that they could sell it to avoid foreclosure.

e. Defendant Marlow agreed to begin work only on Lockard's house while delaying work on Wade's house, but he demanded full payment for both contracts which he assured Wade and Lockard would be deposited in an escrow account.

f. Based on Marlow's representations, Wade and Lockard gave the Defendants a check in the amount of \$39,048.00 which they had obtained through a home improvement loan.

g. On or about October 13, 2010, Wade and Lockard attempted to cancel the contracts because Defendants had not performed any work on Lockard's house - but they were persuaded to give Defendants more time when Defendant Marlow promised them that Defendants would begin work immediately.

h. On or about November, 3, 2010, an employee of the Defendants began work on the Lockard house but left after working for only two days and never finished the work.

i. Defendant Marlow and Lockard repeatedly communicated after that date but Defendants never completed the work, and Lockard was forced to complete the work herself on or about November 28, 2010.

j. On or about December 3, 2010, private counsel for Lockard and Wade formally cancelled the two contracts due to Defendants' failure to perform and requested a full refund of \$39,098.00.

k. On January 25, 2011, Lockard and Wade filed a formal complaint with the Consumer State, which then contacted the Defendants.

l. In response to the contact from the Consumer State, Defendants informed the State that they do not have the funds available to provide a refund, and they have not done so as of this date.

36. Travis and Erin Huiatt:

a. On October 11, 2010, Defendants entered into a written contract with Travis and Erin Huiatt, Iowa consumers living in Polk County, to provide all labor and materials needed to install vinyl siding and replace the gutters on the Huiatt residence.

b. Defendants, through their agent Timothy Marlow, contracted to provide these home repairs or contractor services to the Huiatt residence while at the Huiatt residence located at 716 NE 5th Street, Grimes, Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was \$4,600.00, for which Defendant Marlow accepted payment in full at the time of signing and wrote "Paid in Full" on the face of the contract.

d. Defendants, with substantial assistance from subcontractors, completed the Huiatt contract near the end of November of 2010.

e. Defendants failed to pay all of the subcontractors who provided material and/or labor on the Huiatt contract.

f. Shortly after the work was completed in November of 2010, the Huiatt family was contacted by Robert Clayton, the owner of R & K Services, and informed that he had not been paid by the Defendants; after which the Huiatts contacted the Defendants and requested that Defendants pay R & K Services.

g. On January 21, 2011, R & K Services filed a mechanic's lien on the Huiatt residence in the amount of \$3,415.43 after Defendants failed to pay R & K Services for installing vinyl siding on the Huiatt residence.

h. The Huiatts retained private counsel who contacted Defendant Marlow and was assured on several occasions that mechanic's lien waivers would be produced within five days, which they were not.

i. On February 8, 2011, the Huiatt family filed a formal complaint with the State, which contacted the Defendants.

j. After being informed by the State that the mechanic's lien was invalid because it was not properly perfected, R & K Services removed the lien on the Huiatt residence but still has not been paid \$3,015.43 by the Defendants for the materials and labor that it supplied as of this date.

37. John "Jack" and Carol Nelson:

a. On March 15, 2010, Defendants entered into a written contract with John and Carol Nelson; Iowa consumers living in Dallas County, to provide all labor and materials needed to build an addition onto the Nelson Residence and to remodel the kitchen in the Nelson residence.

b. Defendants contracted to provide these home repairs or contractor services to the Nelson residence while at the Nelson residence located at 25829 G. Avenue, Adel, Iowa; a place other than Defendants' place of business.

c. The total contract price between the parties was \$39,400.00 after Defendants represented that they were discounting the original price by \$4,577.00 due to a "winter incentive"; with \$19,700.00 to be paid when the contract was signed and the balance to be paid in increments as the project progressed.

d. On March 15, 2010, Defendants accepted the down payment of \$19,700.00 from the Nelsons.

e. At the time of the sale, Defendant Marlow verbally assured the Nelsons that the contract would be completed within four to six weeks from the date of the contract.

f. Defendants performed on the Nelson contract with substantial assistance from subcontractors.

g. Defendants failed to pay all of the subcontractors who provided material and/or labor on the Davis contract; and as a result subcontractor Rhiner Plumbing Co. filed a mechanic's lien on the Nelson property in the amount of \$2,012.82 on February 8, 2011.

h. Defendants failed to pay all of the subcontractors who provided material and/or labor on the Nelson contract; and as a result subcontractor DJ Concrete Foundations and Walls, LLC was legally entitled to file a mechanic's lien on the Nelson property in the amount of \$2,550.00, but chose to not do so at that time - although the right was not extinguished.

i. As the project progressed, the Nelson family was required to pay an additional \$4,909.20 to subcontractors and material suppliers in order to keep the project going, even though these costs were included in the contract with Defendants.

j. After the initial down payment of \$19,700.00, the Nelson family paid an additional \$21,187.00 to Defendants as the project progressed - for a total payment to Defendants of \$40,887.00.

k. On August 11, 2011, the Nelson family filed a formal complaint with the State, which then contacted the Defendants.

l. Despite repeated contacts from the Nelsons and the State, Defendants have not completed the contract as of this date.

m. For the work that has been done, Defendants have failed to perform many of the aspects of the project in a workmanlike manner which complied with industry standards and/or local building codes.

n. The failure of the Defendants to complete the contract in time and their failure to perform the work in a workmanlike manner has caused additional costs, inconveniences and delays to the Nelson family.

38. On information and belief, Defendants have on numerous occasions engaged in practices similar to those alleged in paragraphs 18 through 37, above, regarding the sales of home repairs or contractor services to other consumers.

State's Investigation of Defendants

39. In the latter part of 2010, the State began receiving inquiries and formal complaints from Iowa consumers in regards to the business practices of the Defendants.

40. On January 28, 2011, the State served an Investigative Subpoena on Defendant Megan Leanne Troyer which requested that she produce records and other documents for review,

and that she appear for testimony on February 9, 2011.

41. Defendant Troyer appeared as requested on February 9, 2011; at which point she provided testimony under oath and produced documents in response to the investigative subpoena.

42. At the conclusion of the testimony, Defendant Troyer entered into an Assurance of Voluntary Compliance ("AVC") with the State, both in her personal capacity and as the President and owner of Defendant IQ Renovation. (Exhibit 1)

43. Pursuant to the terms of the AVC, Defendants Troyer agreed that she and IQ Renovation would comply with the provisions of the AVC, "as well as their agents and employees, directly or indirectly, individually or in concert with others, through any corporate or other device."

44. Pursuant to the terms of the AVC, Defendants Troyer and IQ Renovation further agreed to:

- a. comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code chapter 555A;
- b. comply with all provisions of the Construction Contractors chapter, Iowa Code chapter 91C;
- c. refrain from requesting or accepting any payments for labor from any consumer until the work for which Defendants contracted with that specific consumer was fully completed;
- d. refrain from requesting or accepting advance payments for materials or other contracting expenses from any consumer until that contract was fully completed - except that payment could be made for materials or other contracting expenses so long as the payment was made directly to the supplier, or via a check which was made directly payable to the third party supplier for the exact cost of materials or contracting expenses;
- e. deliver all materials purchased with each consumer's payment to the site where the work was to be performed within two calendar days after payment by the consumer;
- f. use materials and payments for any other contracting expenses only to the benefit of

the consumer that paid for them;

g. deliver a written receipt to each consumer who paid any money or other form of compensation at the same time and place that payment was made; and

h. immediately pay in full every subcontractor, materials supplier, or any other person or entity that has the ability to place a lien on a consumer's property; either as soon as the services or materials are delivered, or as soon as the consumer paid the Defendants, whichever event occurs first.

Timothy Ryan Marlow Background

Epic Homes, L.L.C.

45. In 2004, Defendant Timothy Ryan Marlow was the owner, operator and managing agent of a home repair and contractor business registered with the Iowa Secretary of State as Epic Homes, L.L.C ("Epic Homes").

46. The business model for Defendant Marlow and Epic Homes was to enter into contracts for home repair or contractor services with consumers, require down payments of up to 100%, and then hire subcontractors to perform the majority of the work under the contracts.

47. The State investigated the business practices of Defendant Marlow and Epic Homes after receiving complaints from consumers that Defendant Marlow and Epic Homes were, among other complaints, accepting payments to provide home repair or contractor services but then failing to provide the services and/or materials under the contracts.

48. Upon determining that the available evidence indicated that many of the consumer complaints were valid but that neither Defendant Marlow nor Epic Homes possessed the financial ability to provide full refunds to consumers, the State entered into an AVC which would enable Marlow and Epic Homes to physically address as many consumer complaints as possible while still protecting consumers. (Exhibit 2)

49. Pursuant to the terms of the AVC which was signed on November 22, 2004,

Defendant Marlow and Epic Homes agreed to:

- a. comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code chapter 555A;
- b. comply with all provisions of the Construction Contractors chapter, Iowa Code chapter 91C;
- c. refrain from requesting or accepting advance payments for materials or other contracting expenses from any consumer until that contract was fully completed - except that payment could be made for materials or other contracting expenses so long as the payment was made directly to the supplier, or via a check which was made directly payable to the third party supplier for the exact cost of materials or contracting expenses;
- d. deliver all materials purchased with each consumer's payment to the site where the work was to be performed within five calendar days after payment by the consumer;
- e. use materials and payments for any other contracting expenses only to the benefit of the consumer that paid for them;
- f. deliver a written receipt to each consumer who paid any money or other form of compensation at the same time and place that payment was made; and
- g. refrain from requesting or accepting any payments for labor from any consumer until the work required under that specific consumer's contract was fully completed.

50. Within Paragraph "I" of the AVC, Defendant Marlow furthered agreed that:

Respondents agree that a violation by Respondents of any requirement of this Assurance shall constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16(2)(a), and that a violation by Respondents of any requirement of this Assurance shall also constitute a violation of this contractual agreement with the State entitling a court to impose civil penalties against the Respondents pursuant to Iowa Code § 714.16(7) as if the Respondents had violated a court injunction.

51. Defendant Marlow and Epic Homes subsequently corrected approximately six consumer complaints when Defendant Marlow either performed the work himself or arranged completion through third parties, but then Marlow and Epic Homes ceased doing any business without adequately addressing the majority of complaints and owing Iowa consumers more than \$198,000.00.

Central Iowa Construction, L.L.C.

52. In 2007, Defendant Timothy Ryan Marlow was an operator, officer and/or managing agent of a home repair and contractor business registered with the Iowa Secretary of State as Central Iowa Construction, L.L.C. ("C.I.C."); which was owned and operated by Defendant Marlow's father, William Edgar Hill.

53. Although William Edgar Hill was the owner and president of C.I.C., his professional expertise was in the area of information technology not home repairs or contractor services; and he relied heavily on Defendant Marlow to set up and manage the day-to-day operations of C.I.C.

54. The business model for Defendant Marlow, William Edgar Hill and C.I.C. was to enter into contracts for home repair or contractor services with consumers, require down payments of up 100%, and then hire subcontractors to perform the majority of the work under the contracts.

55. The State investigated the business practices of Defendant Marlow, William Edgar Hill and C.I.C. after receiving complaints from consumers that C.I.C. was, among other things, accepting consumer payments to provide home repair or contractor services but then failing to provide all (or in some cases, any) of the services and/or materials under the contracts.

56. Upon determining that there was sufficient evidence to indicate that many of the consumer complaints were valid but that Defendant Marlow did not hold an ownership interest in C.I.C.; the State filed suit against William Edgar Hill and C.I.C.

57. On February 7, 2007, the State obtained a judgment against William Edgar Hill and C.I.C. which ordered consumer reimbursement in the amount of \$114,616.43 and granted the State's request for an injunction controlling the business conduct of Hill and C.I.C. in the future.³

³ *State of Iowa, ex rel Thomas J. Miller v. William Edgar Hill and Central Iowa Construction, LLC*, Polk County District Court - EQCE 55328.

CAUSES OF ACTION

Count I

Violations of Iowa Door-To-Door Sales Act - Iowa Code chapter 555A

58. The State incorporates by this reference all allegations set forth in Paragraphs 1 through 38.

59. The Defendants violated Iowa Code chapter 555A, in a manner including, but not limited to, misrepresenting the consumers' right to cancel by stating that Saturday is considered a "business day" for the purpose of counting the three days during which the consumer may cancel the contract, when in fact Saturday is not counted as a "business day" pursuant to Iowa Code § 555A.1(1). Iowa Code § 555A.4(4).

Count II

Violations of Iowa Consumer Fraud Act - Iowa Code § 714.16

60. The State incorporates by this reference all allegations set forth in Paragraphs 1 through 59.

61. Pursuant to Iowa Code § 555A.6(2), each of Defendants' violations listed in Count I constitute a violation of Iowa Code § 714.16(2)(a).

62. Defendants acted, used or employed deception, fraud, false pretense, false promise, misrepresentation and/or concealment, suppression, or omission of material facts with the intent that consumers rely on the concealment, suppression or omissions, in violation of Iowa Code § 714.16(2)(a), in a manner including, but not limited to:

- a. representing to consumers that Defendants would begin home repairs or contractor services within a promised time period, without a reasonable basis for such representations;

- b. representing to consumers that Defendants would complete home repairs or contractor services within a promised time period, without a reasonable basis for such

representations;

c. representing to consumers that Defendants would complete home repair or contractor services in a specific manner and then failing to provide said services to the agreed specifications;

d. representing to consumers that Defendants provided a "workmanship warranty" for a period of at least twelve months and then failing to correct deficiencies in workmanship;

e. representing to consumers that Defendants were "adequately insured" against potential incidents on the consumers' property and then failing to maintain their insurance coverage;

f. representing to consumers that Defendants only employed subcontractors for limited types of specialty work when in fact the Defendants' business model was to enter into contracts with consumers and then hire subcontractors to perform most of, if not all of, the actual work under the contracts;

g. representing to consumers that any subcontractors that were used by Defendants to complete the consumers' contracts would be fully paid by Defendants, when in fact the Defendants failed to pay many of the subcontractors and materials providers even when the consumers had already paid the Defendants for the work performed by the subcontractors and the materials used on the projects;

h. representing to consumers that Defendants would deliver releases and/or lien waivers for materials or labor to the consumers within five days of the next periodic payment or within five days of the project's completion, when in fact the Defendants repeatedly failed to provide either document to consumers even when the consumers had already paid the Defendants for the labor or materials;

i. representing to consumers that IQ Renovation had over twenty years of experience when in fact the company had not been in business for more than two years;

j. representing to consumers that Defendants would place the consumers' down payments in an escrow fund to ensure their future availability, when in fact the funds were used by the Defendants for business and personal use;

k. using consumer testimonials in their advertising, sales presentations or other marketing efforts without first disclosing to consumers that the authors of the testimonials were compensated for their testimonials through discounts or by other means.

63. Defendants engaged in "unfair practices" in violation of Iowa Code § 714.16(2)(a), in

a manner including, but not limited to:

a. contracting with consumers to provide home repair and contractor services, and then

failing to provide labor, materials or reimbursement of the consumers' down payment;

b. accepting payment from consumers as a down payment for the provision of home repair and contractor services and then failing to provide labor or materials, or repay the down payment to consumers;

c. contracting with consumers to provide home repair and contractor services, and then failing to perform the home repair and contractor services in a workmanlike manner and/or in a manner that complied with manufacturer standards and/or building codes, thus placing the consumers at risk of physical and/or financial harm;

d. contracting with consumers to provide home repair and contractor services in a specific manner and failing to perform the home repair and contractor services to said specifications, thus placing the consumers at risk of physical and/or financial injury;

e. collecting payment from consumers for home repair and contractor services and then failing to timely pay subcontractors and/or materials providers for materials and services provided on the consumers' contract; thus placing the consumers at risk that the unpaid third parties would place mechanics liens against the consumers' properties or otherwise force the consumers to pay twice for the same work or materials; and

f. refusing to respond to consumer inquiries, or responding to consumer inquiries in a manner that delayed, or otherwise prevented, consumers from limiting their loss.

Count III

Violations of Assurance of Voluntary Compliance ("AVC") (Defendant Marlow only)

64. The State incorporates by this reference all allegations set forth in Paragraphs 1 through 57.

65. Pursuant to the AVC signed on November 22, 2004, Defendant Marlow agreed that any violation of the terms of the AVC "shall" constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16(2)(a), and that a violation of the AVC by Defendant Marlow would entitle a court to impose civil penalties against Defendant Marlow as if he had violated a court injunction.

66. Defendant Marlow violated the terms of AVC, and thus committed an unlawful practice pursuant to Iowa Code § 714.16(2)(a) in a manner including, but not limited to:

- a. failing to comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code chapter 555A;
- b. requesting and accepting advance payments for materials or other contracting expenses from consumers before the contract was fully completed;
- c. failing to deliver all materials purchased with consumers' payments to the site where the work was to be performed within five calendar days after payment by the consumer;
- d. failing to use materials and payments for any contracting expenses only to the benefit of the consumers that paid for them; and
- e. requesting and accepting payments for labor from consumers before the work required under the consumers' contracts was fully completed.

REQUEST FOR RELIEF

67. The State respectfully requests that the Court order joint and several relief against Defendants Megan Leanne Troyer, Timothy Ryan Marlow and IQ Renovation, L.L.C., as follows:

A. Temporary Injunction: That the Court, pursuant to Iowa Rule Civ. P. 1.1502(3) and Iowa Code § 714.16(7), upon such notice and hearing as the Court deems reasonably required and after hearing on the merits, issue a temporary injunction prohibiting the Defendants and their attorneys, partners, officers, employees, agents, successors and all other persons, corporations and other entities acting in concert or participating with the Defendants, who have actual or constructive notice of the Court's injunctions, from engaging in the practices prohibited by the Assurance of Voluntary Compliance signed by Megan Leanne Troyer on February 9, 2011; and which is still binding upon Defendants as of this date. (Exhibit 1)

B. Permanent Injunction - Home Repairs or Residential Contractor Services: That the Court, pursuant to Iowa Code § 714.16(7), issue a permanent injunction prohibiting the Defendants and their partners, officers, employees, agents, successors and all other persons, corporations and other entities acting in concert or participating with the Defendants, who have

actual or constructive notice of the Court's injunctions, from all of the following:

1. owning, operating, controlling, directing, or otherwise profiting from any business in the State of Iowa that in any manner offers or provides home repairs or residential contractor services;
2. advertising or offering any home repairs or residential contractor services to Iowa consumers;
3. entering into any contracts to provide home repairs or residential contractor services to Iowa consumers; and,
4. advising, controlling, directing, managing, or otherwise exercising any authority to any extent regarding a business which, in whole or in part, provides home repairs or residential contractor services; including but not limited to, business practices, business plans, business models, hiring decisions, contracting decisions, or the like.

B. Permanent Injunction - General Business: That the Court, pursuant to Iowa Code § 714.16(7), issue a permanent injunction prohibiting the Defendants and their partners, officers, employees, agents, successors and all other persons, corporations and other entities acting in concert or participating with the Defendants, who have actual or constructive notice of the Court's injunctions, from:

1. accepting or requesting advance payment of any type from any Iowa consumers before fully completing the contract under which the Defendants are to be paid;
2. applying any funds received from consumers to any use other than that directly attributable to their contract or project;
3. misrepresenting to consumers the time period in which Defendants will begin performance on a contract;
4. misrepresenting to consumers the time period in which Defendants will complete performance under a contract;
5. failing to complete a contract within a reasonable time;
6. failing to perform a contract in a workmanlike manner, or in a manner that complies with manufacturer requirements, generally accepted industry standards, building codes or other applicable standards; and
7. failing to respond to a consumer's complaint in a prompt and timely manner when

requested to do so in connection with a consumer complaint or inquiry.

C. Consumer Reimbursement: That the Court, pursuant to Iowa Code § 714.16(7), order Defendants to restore any money to consumers whom the Court deems to be entitled to reimbursement as a result of Defendants' unlawful acts or practices.

D. Civil Penalties: That the Court, pursuant to Iowa Code § 714.16(7), order Defendants to pay a civil penalty to the State in an amount not to exceed \$40,000.00 per violation.

E. Civil Penalties - Defendant Marlow Only: Pursuant to Iowa Code § 714.16(7), order Defendant Marlow to pay an additional civil penalty to the State in an amount not to exceed \$5,000 for each day of intentional violation of the AVC signed by Defendant Marlow and Epic Homes. (Exhibit 2)

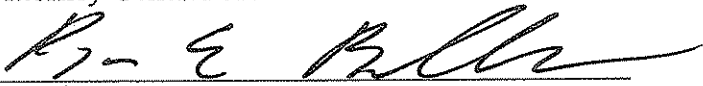
F. Costs: That the Court, pursuant to Iowa Code § 714.16(11), order Defendants to pay the State's costs including, but not limited to, reasonable attorney fees, court costs and investigative costs incurred in this action.

G. Interest: That the Court award the State interest as permitted by law.

H. That the Court grant any further relief as the Court deems just and equitable.

Respectfully submitted,

THOMAS J. MILLER
Attorney General of Iowa


BENJAMIN E. BELLUS AT0000688
Assistant Attorney General
Consumer Protection Division
1305 East Walnut Street, Second Floor
Des Moines, IA 50319
Telephone: (515) 281-5926
Facsimile: (515) 281-6771
E Mail: bbellus@ag.state.ia.us

ATTORNEYS FOR THE STATE

IN RE:)	
)	
MEGAN LEANNE TROYER and)	ASSURANCE OF
IQ RENOVATION, LLC,)	VOLUNTARY COMPLIANCE
)	
Respondents.)	

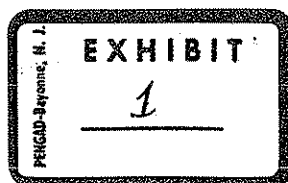
1. State of Iowa ex rel. Attorney General Thomas J. Miller, by Assistant Attorney General Benjamin E. Bellus (hereinafter "the Attorney General"), and Megan Leanne Troyer, owner and president of IQ Renovation, LLC., ("IQ") enter into this Assurance of Voluntary Compliance (hereinafter "Assurance") pursuant to Iowa Code § 714.16, the Iowa Consumer Fraud Act.

2. Megan Leanne Troyer is an owner, operator, managing agent and president of a home repair and contractor business incorporated under the name of "IQ Renovation, LLC." The main business office for Megan Leanne Troyer is presently located at 1226 Green Avenue, Suite 100, West Des Moines, Iowa.

3. Respondent IQ Renovation, LLC, is a home repair and contractor business incorporated to do business in the state of Iowa. The main business office for IQ Renovation LLC is presently located at 1226 Green Avenue, Suite 100, West Des Moines, Iowa.

4. The term "Respondents," as used herein, shall apply to Megan Leanne Troyer and IQ Renovation LLC as well as their agents and employees, directly or indirectly, individually or in concert with others, through any corporate or other device.

5. The Attorney General has received numerous informal inquiries and nine formal complaints from Iowa consumers alleging, among other claims, that Respondents have entered into home repair and/or construction contracts with the consumers to provide labor and materials



and then accepted funds from the consumers, but then:

- a. provided no work or materials on the contracts;
- b. provided only partial work or materials on the contracts;
- c. provided substandard work or materials on the contracts; or
- d. failed to pay the subcontractor or material supplier that provided the work or materials on the contract.

6. The Attorney General is investigating these complaints pursuant to his authority under Iowa Code 714.16, the Consumer Fraud Act, and the parties have come to an agreement which may be modified pending the outcome of this investigation.

7. In consideration for the Attorney General's agreement to not file suit immediately, the Respondents agree to the terms of this Assurance and agree to comply with the following requirements from the date of the signing of this Assurance until released by the Attorney General, or his designated agent, in writing:

A. Respondents shall comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code Chapter 555A, and as that chapter is subsequently amended.

B. Respondents shall comply with all provisions of the Construction Contractors Chapter, Iowa Code chapter 91C, and as that chapter is subsequently amended.

C. Respondents shall refrain from requesting or accepting any payments for labor from any consumer until the work for which Respondents contracted with that specific consumer is fully completed.

D. Respondents shall refrain from requesting or accepting advance payments for materials or other contracting expenses from any consumer for payment to Respondents until that

contract is fully completed. However, Respondents may request that a consumer make payment for materials or other contracting expenses directly to a supplier, or via a check supplied to Respondents which is made directly payable to only the third party supplier for the exact cost of materials or contracting expenses, so long as Respondents have no ownership interest in the third party supplier and do not in any manner direct or control the business and sales practices of the third party supplier.

E. Unless the third party supplier is to deliver the materials directly to the consumer's address, Respondents shall deliver the materials purchased with each consumer's payment to the site where the work is to be performed within two (2) calendar days after payment by the consumer.

F. Respondents shall use materials and payments for any other contracting expenses only to the benefit of the consumer that paid for them.

G. Respondents shall deliver a written receipt to each consumer who pays any money, or other form of compensation to Respondents, at the same time and place that payment is made.

H. Respondents shall immediately pay in full every subcontractor, materials supplier, or any other person or entity that has the ability to place a lien on a consumer's property; either as soon as the services or materials are delivered, or as soon as the consumer pays the Respondents, whichever event occurs first.

I. Respondents understand and agree that the Attorney General, at his sole discretion, retains the right to file suit or take other necessary action should it appear to the Attorney General that such action would be in the public interest. Respondents agree that this Assurance shall not in any way bar the Attorney General from taking further action regarding Respondents' business

activities.

J. Respondents agree that a violation by Respondents of any requirement of this Assurance shall constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16(2)(a); and that a violation by Respondents of any requirement of this Assurance shall also constitute a violation of this contractual agreement with the State entitling a court to impose civil penalties against the Respondents pursuant to Iowa Code § 714.16(7) as if the Respondents had violated a court injunction.


K. Respondents agree that a violation by Respondents of any requirement of this Assurance shall also be punishable as contempt, pursuant to Iowa Code Iowa Code chapter 665 as though this Assurance were a court order, should a court find that the Respondents intentionally violated this Assurance

L. Respondents agree and understand that every financial institution presented with a copy of this Assurance is authorized and instructed to freeze the bank accounts and other assets of the Respondents as if ordered pursuant to Iowa Code § 714.16(7), to preserve resources necessary to restore consumers' money and/or to prevent the Defendants' further use of consumers' money in a means violative of Iowa Code § 714.16, until such time as the financial institution is provided with a written release signed by the Attorney General or his authorized agent, or pursuant to a court order.

M. Respondent agrees that venue shall be proper in Polk County, Iowa, should the Attorney General determine that it is necessary to file an action to enforce this Assurance.

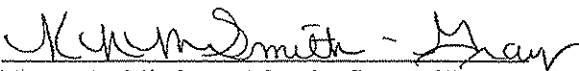
N. Respondents agree that this Assurance shall become binding and effective on Megan Leanne Troyer and IQ Renovations, LLC. when signed. Respondents agree to abide by the terms

of this Assurance and acknowledges receipt of a copy of it at the time of signing.



MEGAN LEANNE TROYER, individually
and in any corporate capacity as owner or
officer of IQ Renovations, LLC.

Executed before the undersigned Notary Public on this 9th day of February,
2011, by Megan Leanne Troyer.




Notary Public in and for the State of Iowa

THOMAS J. MILLER,
ATTORNEY GENERAL OF IOWA

by: 
BENJAMIN E. BELLUS
Assistant Attorney General
Consumer Protection Division
Iowa Department of Justice

Copy delivered at time of signing to:

Megan Leanne Troyer

IN RE:

EPIC HOMES, LLC, and
TIMOTHY RYAN MARLOW,

Respondent.

)
)
) PRELIMINARY ASSURANCE OF
) VOLUNTARY COMPLIANCE
)
)

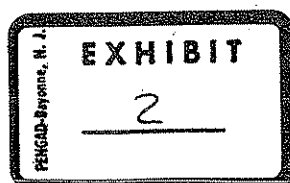
1. State of Iowa ex rel. Attorney General Thomas J. Miller, by Assistant Attorney General Benjamin E. Bellus (hereinafter "the Attorney General"), and Timothy Ryan Marlow, owner and managing agent of Epic Homes, LLC, (Epic Homes") enter into this Assurance of Voluntary Compliance (hereinafter "Assurance") pursuant to Iowa Code § 714.16 (2003), the Iowa Consumer Fraud Act.

2. Timothy Ryan Marlow is an owner, operator, managing agent and registered agent of a home repair and contractor business incorporated under the name of "Epic Homes, LLC." Neither Timothy Ryan Marlow nor Epic Homes, has registered with Iowa Workforce Development as a Construction Contractor, as required pursuant to Iowa Code chapter 91C. At this time, Epic Homes, has closed its place of business, which was located at 3125 Douglas Avenue, Des Moines, IA 50310.

3. The term "Respondents," as used herein, shall apply to Epic Homes and Timothy Ryan Marlow as well as their agents and employees, directly or indirectly, individually or in concert with others, through any corporate or other device.

4. The Attorney General has received 38 complaints from Iowa consumers alleging that Respondents have entered into home repair or construction contracts with the consumers to provide labor and materials under the contracts and then accepted funds from the consumers, but then either provided no work on the contracts or provided only partial work on the contracts.

5. The Attorney General is investigating these complaints pursuant to his authority under



Iowa Code 714.16, the Consumer Fraud Act, and the parties have come to a temporary agreement pending the outcome of this investigation.

6. In consideration for the Attorney General's agreement to not file suit immediately so that Respondents may have time to resolve some business issues, the Respondents agree to the terms of this Assurance and agree to comply with the following requirements from the date of the signing of this Assurance until released by the Attorney General, or his designated agent, in writing:

A. Respondents shall comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code chapter 555A (2003), and as that chapter is subsequently amended.

B. Respondents shall comply with all provisions of the Construction Contractors chapter, Iowa Code chapter 91C (2003), and as that chapter is subsequently amended.

C. Respondents shall refrain from requesting or accepting advance payments for materials or other contracting expenses from any consumer for payment to Respondents until that contract is fully completed. However, Respondents may request that a consumer make payment for materials or other contracting expenses directly to a supplier, or via a check supplied to Respondents which is made directly payable to the third party supplier for the exact cost of materials or contracting expenses, so long as Respondents have no ownership interest in the third party supplier and do not in any manner direct or control the business and sales practices of the third party supplier.

D. Unless the third party supplier is to deliver the materials, Respondents shall deliver the materials purchased with each consumer's payment to the site where the work is to be performed within five (5) calendar days after payment by the consumer.

E. Respondents shall use materials and payments for other contracting expenses only to the benefit of the consumer that paid for them.

F. Respondents shall deliver a written receipt to each consumer who pays any money or other form of compensation to Respondents, at the same time and place that payment is made.

G. Respondent shall refrain from requesting or accepting any payments for labor from any consumer until the work for which Respondent contracted with that specific consumer is fully completed.

H. Respondents understand and agree that the Attorney General, at his sole discretion, retains the right to file suit or take other necessary action should it appear to the Attorney General that such action would be in the public interest. Respondents agree that this Assurance shall not in any way bar the Attorney General from taking further action regarding Respondents' business activities.

I. Respondents agree that a violation by Respondents of any requirement of this Assurance shall constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16(2)(a), and that a violation by Respondents of any requirement of this Assurance shall also constitute a violation of this contractual agreement with the State entitling a court to impose civil penalties against the Respondents pursuant to Iowa Code § 714.16(7) as if the Respondents had violated a court injunction.

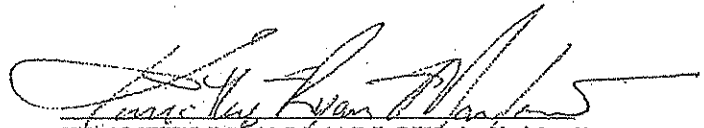
J. Respondents agree that a violation by Respondents of any requirement of this Assurance shall also be punishable as contempt pursuant to Iowa Code Iowa Code chapter 665 (2003) as though this Assurance were a court order, should a court find that the Respondents intentionally violated this Assurance

K. Respondents agree and understand that every financial institution presented with a copy of this Assurance is authorized and instructed to freeze the bank accounts and other assets of the

Respondents as if ordered pursuant to Iowa Code § 714.16(7), to preserve resources necessary to restore consumers' money and/or to prevent the Defendants' further use of consumers' money in a means violative of Iowa Code § 714.16, until such time as the financial institution is provided with a written release signed by the Attorney General or his authorized agent, or pursuant to a court order.

L. Respondent agrees that venue shall be proper in Polk County, Iowa, should the Attorney General determine that it is necessary to file an action to enforce this Assurance.

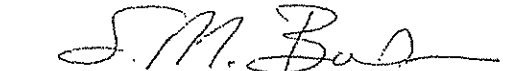
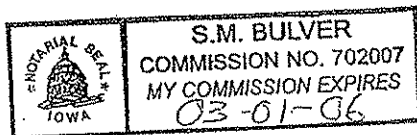
M. Respondents agree that this Assurance shall become binding and effective on Epic Homes and Timothy Ryan Marlow when signed. Respondents agree to abide by the terms of this Assurance and acknowledges receipt of a copy of it at the time of signing.



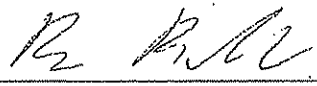
TIMOTHY RYAN MARLOW, individually
and in any corporate capacity as owner or
officer of Epic Homes, LLC.

Executed before the undersigned Notary Public on this 22nd day of November, 2004,

by Timothy Ryan Marlow.


Notary Public in and for the State of Iowa

THOMAS J. MILLER,
ATTORNEY GENERAL OF IOWA

by: 
BENJAMIN E. BELLUS
Assistant Attorney General
Iowa Department of Justice
Consumer Protection Division

Copy delivered at time of signing to:

Timothy Ryan Marlow